Introduced by Senators Chesbro, Kehoe, Kuehl, Perata, Simitian, and Torlakson

(Coauthors: Assembly Members Berg, Bermudez, Evans, Klehs, Koretz, Leno, Nation, and Nava)

February 8, 2005

An act to add Chapter 1.698 (commencing with Section 5096.700) to Division 5 of the Public Resources Code, relating to financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources in the state, by providing the funds necessary therefor through the issuance and sale of bonds of the State of California and by providing for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 153, as introduced, Chesbro. California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006.

Under existing law, programs have been established pursuant to bond acts for, among other things, the development and enhancement of state and local parks and recreational facilities.

This bill would enact the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, which, if adopted, would authorize, for the purpose of financing a program for the acquisition, development, and preservation of park, recreational, water, coastal, agricultural land, air, cultural, and historical resources, as specified, the issuance, pursuant to the State General Obligation Bond Law, of bonds in the amount of \$3,000,000,000.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. Statemandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. Chapter 1.698 (commencing with Section 5096.700) is added to Division 5 of the Public Resources Code, to read:

Chapter 1.698. The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006

Article 1. General Provisions

5096.700. This chapter shall be known, and may be cited, as the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006.

5096.701. (a) The Legislature finds and declares all of the following:

- (1) Maintaining a high quality of life for California's growing population requires a continuing investment in parks, recreation facilities, and in the protection of the state's natural and historical resources.
- (2) Clean air, clean water, clean beaches, and healthy natural ecosystems that can support both human communities and the state's native fish and wildlife are all part of the legacy of California. Each generation has an obligation to be good stewards of these resources in order to pass them on to their children.
- (b) The Legislature hereby recognizes that public financial resources are inadequate to meet all of the funding needs of local public park and recreation providers and that there is an urgent need for safe, open, and accessible local park and recreational facilities and for increased recreational opportunities that provide positive alternatives to social problems. Accordingly, it is declared to be the policy of this state that the funds allocated pursuant to Section 5096.720 to local agencies shall be appropriated primarily for projects that accomplish all of the following:
- (1) Rehabilitate facilities at existing local parks that will provide for more efficient management and reduced operational costs.

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(2) Develop facilities that promote positive alternatives for youth and that promote cooperation between local park and recreation service providers and youth-serving nonprofit organizations.

- (3) Promote family oriented recreation, including art activities.
- (4) Provide for open, safe, and accessible local parklands, facilities, and botanical gardens.
- (5) Develop and enhance nonmotorized trails to promote passive and active recreational enjoyment including wildlife and scenic viewing opportunities.
- 5096.705. As used in this chapter, the following terms have the following meanings:
- (a) "Acquisition" means obtaining the fee title or a lesser interest in real property, including specifically, a conservation easement or development rights.
- (b) "Committee" means the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006 Finance Committee created pursuant to Section 5096.767.
- (c) "Department" means the Department of Parks and Recreation.
- (d) "Development" includes, but is not limited to, improvement, rehabilitation, restoration, enhancement, preservation, protection, and interpretation.
 - (e) "Director" means the Director of Parks and Recreation.
- (f) "District" means a regional park district, regional park and open-space district, or regional open-space district formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3, a recreation and park district formed pursuant to Chapter 4 (commencing with Section 5780), or an authority formed pursuant to Division 26 (commencing with Section 35100). With respect to a community or unincorporated region that is not included within a district, and in which no city or county provides parks or recreational areas or facilities, "district" also means any other district that is authorized by statute to operate and manage parks or recreational areas or facilities, employs a full-time park and recreation director, offers year-round park and recreation services on lands and facilities owned by the district, and allocates a substantial portion of its annual operating budget to parks or recreation areas or facilities.

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 (g) "Fund" means the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund of 2006 created pursuant to Section 5096.710.

- (h) "Local conservation corps" means a program operated by a public agency or nonprofit organization that meets the requirements of Section 14406.
- (i) "Nonprofit organization" means any nonprofit public benefit corporation formed pursuant to the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code), qualified to do business in California, and qualified under Section 501(c)(3) of the Internal Revenue Code.
- (j) "Preservation" means identification, evaluation, recordation, documentation, interpretation, protection, rehabilitation, restoration, stabilization, development, and reconstruction, or any combination of those activities.
- (k) "Secretary" means the Secretary of the Resources Agency. 5096.706. Lands or interests in land acquired with funds allocated pursuant to this chapter shall be acquired from a willing seller.

Article 2. The California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006

5096.710. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund of 2006, which is hereby created. Except as provided in subdivision (a) of Section 5096.750, the money in the fund shall be available for appropriation by the Legislature, in the manner set forth in this chapter, for acquisition, development, and preservation projects, in accordance with the following schedule:

- (a) The sum of two hundred fifty million dollars (\$250,000,000) for acquisition and development of the state park system.
- (b) The sum of one billion one hundred million dollars (\$1,100,000,000) for local assistance programs for the acquisition and development of neighborhood, community, and regional parks and recreation areas.

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(c) The sum of one billion five hundred fifteen million dollars (\$1,515,000,000) for land, air, and water conservation programs, including acquisition for those purposes.

(d) The sum of one hundred thirty-five million dollars (\$135,000,000) for the acquisition and preservation of California's historical and cultural resources.

Article 3. State Parks

 5096.715. The two hundred fifty million dollars (\$250,000,000) allocated pursuant to subdivision (a) of Section 5096.710 shall be available for appropriation by the Legislature to the department for the acquisition and development of the state park system. It is the intent of the Legislature that first priority for funding shall be for development projects to complete and expand visitor facilities and for restoration projects. Not more than 50 percent of the funds provided by this section may be used for acquisition.

Article 4. Local Assistance Programs

5096.720. The one billion one hundred million dollars (\$1,100,000,000) allocated pursuant to subdivision (b) of Section 5096.710 shall be available for appropriation by the Legislature for local assistance programs, in accordance with the following schedule:

- (a) The sum of three hundred seventy-five million dollars (\$375,000,000) to the department for grants, in accordance with Section 5096.721, and on the basis of population, for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas.
- (b) The sum of two hundred fifty million dollars (\$250,000,000) to the department for grants, in accordance with the Roberti-Z'berg-Harris Urban Open-Space and Recreation Program Act (Chapter 3.2 (commencing with Section 5620)). No less than fifty million dollars (\$50,000,000) of funds appropriated pursuant to this subdivision shall be available pursuant to Section .

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(c) The sum of three hundred twenty-five million dollars (\$325,000,000) to the department for grants for urban and special need park and recreation programs in accordance with the following schedule:

- (1) For the Urban Park Act of 2001 (Chapter 3 (commencing with Section 5640))......\$100,000,000
- (2) For expenditure consistent with the requirements of Section 5096.348......\$100,000,000
- (3) For the California Youth Soccer and Recreation
 Development Program created pursuant to
 Section 5004.5......\$ 75,000,000

- (d) The sum of fifty million dollars (\$50,000,000) to the department for grants, in accordance with Section _____, for the development, improvement, rehabilitation, restoration, enhancement, and interpretation of nonmotorized trails for the purpose of increasing public access to, and enjoyment of, public areas for increased recreational opportunities.
- (e) The sum of one hundred million dollars (\$100,000,000) to the department for grants to local agencies for the development and rehabilitation of senior centers.

5096.721. (a) Sixty percent of the total funds available for grants pursuant to subdivision (a) of Section 5096.720 shall be allocated to cities and to districts other than a regional park district, regional park and open-space district, or regional open-space district. Each city's and district's allocation shall be in the same ratio as the city's or district's population is to the combined total of the state's population that is included in incorporated areas and unincorporated areas within the district, except that each city or district shall be entitled to a minimum allocation of two hundred thousand dollars (\$200,000). In any instance in which the boundary of a city overlaps the boundary of such a district, the population in the area of overlapping jurisdiction shall be attributed to each jurisdiction in proportion to the extent to which each operates and manages parks and recreational areas and facilities for that population. In any

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instance in which the boundary of a city overlaps the boundary of such a district, and in the area of overlap the city does not operate and manage parks and recreational areas and facilities, all grant funds shall be allocated to the district.

- (b) Each city and each district subject to subdivision (a) whose boundaries overlap shall develop a specific plan for allocating the grant funds in accordance with the formula specified in subdivision (a). If, by ______, the plan has not been agreed to by the city and district and submitted to the department, the director shall determine the allocation of the grant funds among the affected jurisdictions.
- (c) Forty percent of the total funds available for grants pursuant to subdivision (a) of Section 5096.720 shall be allocated to counties and regional park districts, regional park and open-space districts, or regional open-space districts formed pursuant to Article 3 (commencing with Section 5500) of Chapter 3.
- (d) Each county's allocation under subdivision (c) shall be in the same ratio as the county's population, except that each county shall be entitled to a minimum allocation of five hundred thousand dollars (\$500,000).
- (e) In a county that embraces all or part of the territory of a regional park district, regional park and open-space district, or regional open-space district, whose board of directors is not the county board of supervisors, the amount allocated to the county shall be apportioned between that district and the county in proportion to the population of the county that is included within the territory of the district and the population of the county that is outside the territory of the district.
- (f) For the purpose of making the calculations required by this section, population shall be determined by the department, in cooperation with the Department of Finance, on the basis of the most recent verifiable census data and other verifiable population data that the department may require to be furnished by the applicant city, county, or district.
- 5096.724. (a) The director shall prepare and adopt criteria and procedures for evaluating applications for grants allocated pursuant to subdivisions (a) to (e), inclusive, of Section 5096.720. Individual applications for funds shall be submitted to the department for approval as to their conformity with the

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requirements of this chapter. The application shall be accompanied by certification that the project for which the grant is requested is consistent with the park and recreation element of the applicable city or county general plan or the district park and recreation plan, as the case may be, and will satisfy a high priority need.

- (b) To utilize available grant funds as effectively as possible, overlapping or adjoining jurisdictions and applicants with similar objectives are encouraged to combine projects and submit a joint application. An applicant may allocate all or a portion of its per capita share for a regional or state project.
- (c) The director shall annually forward a statement of the total amount to be appropriated in each fiscal year for projects approved for grants pursuant to this article to the Director of Finance for inclusion in the annual Budget Bill. A list of eligible jurisdictions and the amount of grant funds to be allocated to each shall also be made available by the department.
- (d) Funds appropriated pursuant to this article shall be encumbered by the recipient within three years from the date the appropriation is effective. Regardless of the date of encumbrance of the granted funds, the recipient is expected to complete all funded projects within eight years of the effective date of the appropriation.

5096.733. Any grant funds appropriated pursuant to this article that have not been expended by the grant recipient prior to July 1, 2014, shall revert to the fund and be available for appropriation by the Legislature for one or more of the local assistance programs specified in Section 5096.720 that the Legislature determines to be the highest priority statewide.

Article 5. Land, Air, and Water Conservation

5096.750. The one billion five hundred fifteen million dollars (\$1,515,000,000) allocated pursuant to subdivision (c) of Section 5096.710 shall be available for the acquisition and development of land, air, and water resources in accordance with the following schedule:

(a) Notwithstanding Section 13340 of the Government Code, the sum of three hundred million dollars (\$300,000,000) is continuously appropriated to the Wildlife Conservation Board for

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the acquisition, development, rehabilitation, restoration, and protection of habitat that promotes the recovery of threatened and endangered species, that provides corridors linking separate habitat areas to prevent habitat fragmentation, and that protects significant natural landscapes and ecosystems such as old growth redwoods and oak woodlands and other significant habitat areas; and for grants and related state administrative costs pursuant to the Wildlife Conservation Law of 1947 (Chapter 4 (commencing with Section 1300) of Division 2 of the Fish and Game Code). Funds scheduled in this subdivision may be used to prepare management plans for properties acquired in fee by the Wildlife Conservation Board.

(b) The sum of four hundred forty-five million dollars (\$445,000,000) to the conservancies in accordance with the particular provisions of the statute creating each conservancy for the acquisition, development, rehabilitation, restoration, and protection of land and water resources; and for grants and state administrative costs.

- (c) The sum of three hundred seventy-five million dollars (\$375,000,000) shall be available for grants to public agencies and nonprofit organizations for acquisition, development, restoration, and associated planning, permitting, and administrative costs for the protection and restoration of water resources in accordance with the following schedule:
- (1) The sum of seventy-five million dollars (\$75,000,000) to the secretary for the acquisition and development of river parkways and for protecting urban streams. The secretary shall make funds available in accordance with Sections 7048 and 78682.2 of the Water Code, and pursuant to any other applicable statutory authorization.
- (2) The sum of three hundred million dollars (\$300,000,000) shall be available for the purposes of clean beaches, watershed protection, and water quality projects to protect beaches, coastal waters, rivers, lakes, and streams from contaminants, pollution, and other environmental threats.
- (d) The sum of fifty million dollars (\$50,000,000) to the State Air Resources Board for grants to air districts pursuant to Chapter 9 (commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code for projects that reduce air pollution that affects air quality in state and local park

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and recreation areas. Eligible projects shall meet the requirements of Section 16727 of the Government Code and shall be consistent with Section 43023.5 of the Health and Safety Code. Each district shall be eligible for grants of not less than two hundred thousand dollars (\$200,000). Not more than 5 percent of the funds allocated to a district may be used to cover the costs associated with implementing the grant program.

- (e) The sum of twenty million dollars (\$20,000,000) to the California Conservation Corps for the acquisition, development, restoration, and rehabilitation of land and water resources, and for grants and state administrative costs, in accordance with the following schedule:
- (1) The sum of five million dollars (\$5,000,000) shall be available for resource conservation activities.
- (2) The sum of fifteen million dollars (\$15,000,000) shall be available for grants to local conservation corps for acquisition and development of facilities to support local corps programs, and for local resource conservation activities.
- (f) The sum of seventy-five million dollars (\$75,000,000) shall be available for grants for the preservation of agricultural lands and grazing lands, including oak woodlands and grasslands.
- (g) The sum of two hundred fifty million dollars (\$250,000,000) to the Department of Forestry and Fire Protection for grants for forest land protection pursuant to the California Forest Legacy Program Act of 2000 (Division 10.5 (commencing with Section 12200)).

Article 6. Historical and Cultural Resources Preservation

5096.752. (a) The one hundred thirty-five million dollars (\$135,000,000) allocated pursuant to subdivision (d) of Section 5096.710 shall be available for appropriation by the Legislature for the acquisition and preservation of buildings, structures, sites, places, and artifacts that preserve and demonstrate culturally significant aspects of California's history and for grants for these purposes.

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Article 7. Fiscal Provisions

5096.765. Bonds in the total amount of three billion dollars (\$3,000,000,000), not including the amount of any refunding bonds issued in accordance with Section 5096.777, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of the principal of, and interest on, the bonds as the principal and interest become due and payable.

5096.766. The bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter by this reference as though set forth in full in this chapter.

5096.767. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006 Finance Committee is hereby created. For purposes of this chapter, the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006 Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Controller, the Director of Finance, and the Treasurer, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the Secretary of the Resources Agency is designated the "board." 5096.768. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this

necessary or desirable to issue bonds authorized pursuant to this chapter to carry out Section 5096.710 and, if so, the amount of

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bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

5096.770. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

5096.771. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount that will equal the total of the following:

- (a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.
- (b) The sum necessary to carry out Section 5096.772, appropriated without regard to fiscal years.

5096.772. For purposes of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this chapter. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund from proceeds received from the sale of bonds for the purpose of carrying out this chapter.

5096.773. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded through this bond act.

5096.774. Actual costs incurred in connection with administering programs authorized under the categories specified in Section 5096.710 shall be paid from the funds authorized by this act.

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Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code, for purposes of carrying out this chapter. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this chapter. The secretary shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

5096.776. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

5096.777. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state of the issuance of the bonds described in this chapter includes the approval of the issuance of any bonds to refund any bonds originally issued under this chapter or any previously issued refunding bonds.

5096.778. Notwithstanding any provision of this chapter or the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this chapter that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and the investment earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or to take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

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5096.779. (a) The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

(b) Funds provided pursuant to this chapter, and any appropriation or transfer of those funds, shall not be deemed to be a transfer of funds for the purposes of Chapter 9 (commencing with Section 2780) of Division 3 of the Fish and Game Code.

5096.781. Except for funds continuously appropriated by this chapter, all appropriations of funds pursuant to Section 5096.710 for purposes of the program shall be included in the annual Budget Bill for the 2006–07 fiscal year, and each succeeding fiscal year, for consideration by the Legislature, and shall bear the label "California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Program Fund of 2006." The annual Budget Bill section shall contain separate items for each project, each class of project, or each element of the program for which an appropriation is made.

5096.783. The secretary shall provide for an annual audit of expenditures from this chapter.

- SEC. 2. Section 1 of this act shall take effect upon adoption by the voters of the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2006, as set forth in Section 1 of this act.
- SEC. 3. (a) Notwithstanding the requirements of any other provision of law, the Secretary of State shall submit Section 1 of this act to the voters at the 2006 statewide primary election.
- (b) The Secretary of State shall ensure the placement of Section 1 of this act on the 2006 primary election, statewide ballot, in accordance with provisions of the Government Code and the Elections Code governing the submission of statewide measures to the voters.
- (c) The Secretary of State shall include, in the ballot pamphlets mailed pursuant to Section 9094 of the Elections Code, the information specified in Section 9084 of the Elections Code regarding the bond act set forth in Section 1 of this act.